

K. LANSING

1. OVERVIEW

City Location & History

Lansing is located on the Grand River, 90.0 miles northwest of Detroit in the center of Michigan's lower peninsula. It was settled in the 1830s, selected as the state capitol in 1847, and chartered as a city in 1859. The opening of the Grand River Road to Detroit in 1849 started the city growing. In the 1860s and 1870s four railroad lines arrived. A new capitol building was built 1878. In 1897, Ransom Olds brought his automobile manufacturing company to Lansing, sparking a new era of growth. By 1904, Lansing had 200 businesses, and was a world leader in farm implements, automobiles, and gas engines. Today, Lansing is a community where state government, industry, higher education, and culture contribute to a diverse economy.

The majority of Lansing is located in Ingham County at the intersection of Interstate 96 (Detroit southeast and Grand Rapids northwest), Interstate 69 (Flint northeast and Battle Creek southwest), and U.S. Highway 127 (Mount Pleasant north and Jackson south). In 2007 it was estimated that Lansing had 113,309 people living in 48,047 households within 33.9 square miles.

Downtown Study Area Delineation & Boundaries

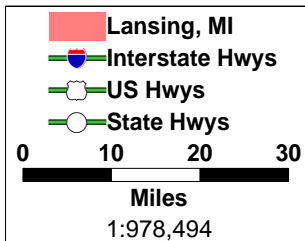
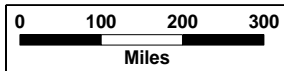
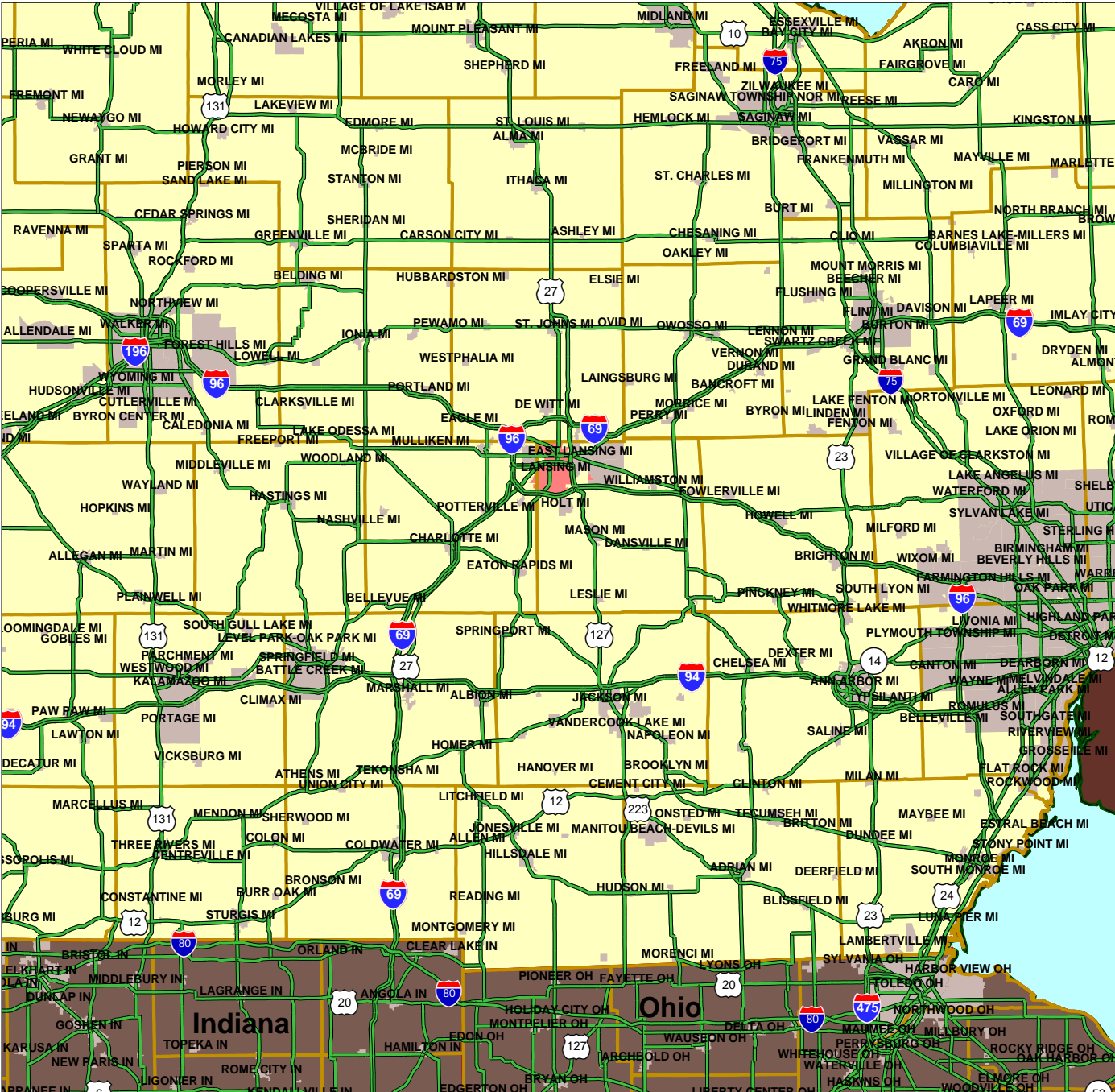
The Lansing Downtown Study Area (DSA) was established after a driving tour of the inner city and consultation with city officials. The following four factors influenced the final delineation: (1) exclusion of single-family neighborhoods, (2) inclusion of the Central Business District, (3) general adherence to downtown development authority boundaries, and (4) recognition of significant natural and man-made barriers. For this study, the Lansing DSA is generally described as follows:

- North boundary: Grand River Avenue / Beaver Street
- East boundary: Larch Street / Railroad Tracks / Grand River
- South boundary: Grand River / Interstate 496 / Kalamazoo Street
- West boundary: Walnut Street / MLK Boulevard / Capitol Avenue / Washington Avenue

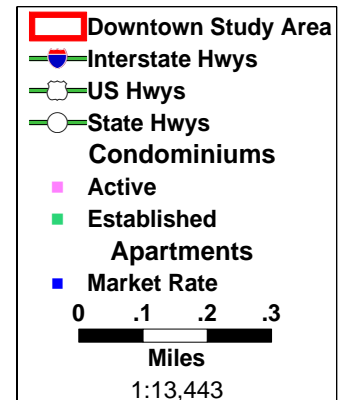
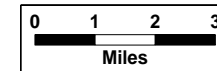
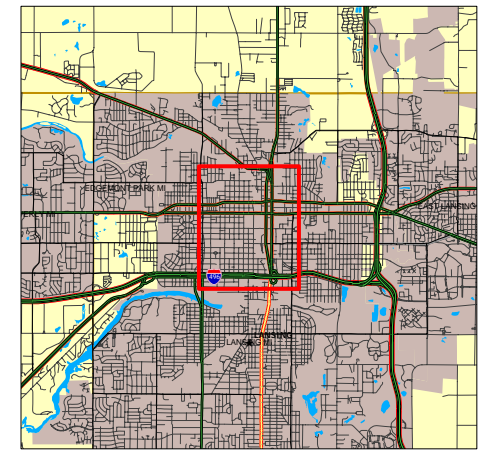
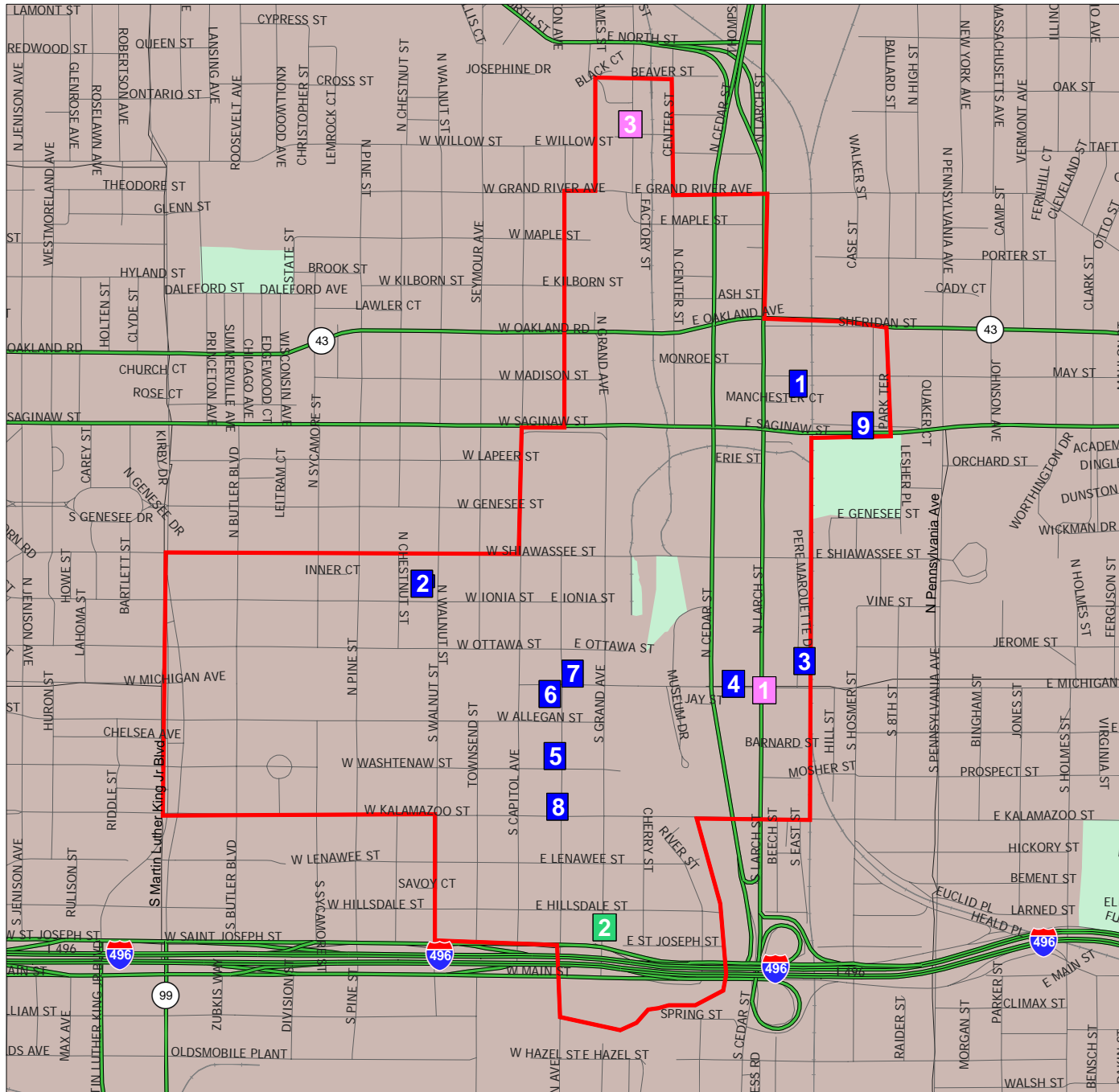
The geographic center of the DSA is the intersection of Michigan Avenue and Grand Avenue.

A regional map showing the location of the city within the state and a map delineating the specific boundaries of the DSA follow. On this DSA map, we have shown the location of each multi-unit property (both rental and condominium) surveyed within the Lansing DSA. Map I.D. numbers for surveyed properties are identified in the Multi-Unit Housing Supply Analysis later in this section.

Lansing, MI: Surrounding Region



Lansing, MI: DSA Boundary with Surveyed Properties



2007 Demographic Snapshot (Estimated from 2000 Census)

The following table provides a brief demographic snapshot of key population and household characteristics for the Lansing DSA and the remainder of the city:

	2007 ESTIMATE	
	DOWNTOWN STUDY AREA	REMAINDER OF LANSING
POPULATION		
NUMBER	2,473	110,836
MEDIAN AGE	31.9	32.5
GENDER		
PERCENT MALE	52.8%	48.3%
PERCENT FEMALE	47.2%	51.8%
EDUCATION (AGE 25+)		
PERCENT HIGH SCHOOL EDUCATED	45.1%	44.1%
PERCENT COLLEGE EDUCATED	54.9%	55.9%
MARTIAL STATUS (AGE 15+)		
PERCENT SINGLE	71.7%	55.2%
PERCENT MARRIED	28.4%	44.8%
HOUSEHOLDS		
NUMBER	1,472	46,575
PRESENCE OF CHILDREN		
PERCENT WITH CHILDREN	23.0%	37.9%
PERCENT WITHOUT CHILDREN	77.0%	62.2%
AVERAGE SIZE	1.9	2.4
TENURE		
PERCENT OWNER	14.0%	59.3%
PERCENT RENTER	86.0%	40.7%
MEDIAN INCOME	\$22,171	\$38,930

Source: 2000 Census; Claritas, Inc.

The above data and more detailed demographic information are analyzed in the following section.

2. DEMOGRAPHICS

The following information has been compiled from the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, and the FBI. It has been grouped into five categories for analysis: (1) population characteristics - descriptors for individual people, (2) household characteristics - descriptors for people living together in one residence, (3) housing characteristics - descriptors for residential dwelling units, (4) crime and transportation - descriptors for crime rates and transit/commuting activities, and (5) economic and employment indicators - descriptors for business and employment activity. This information is provided for expanding geographic areas: (1) the Downtown Study Area (DSA), (2) the remainder of the DSA's city, and (3) the state of Michigan.

Population Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF LANSING	STATE OF MICHIGAN
POPULATION			
1990 CENSUS	3,196	123,824	9,295,297
2000 CENSUS	2,660	116,409	9,938,444
2007 ESTIMATED	2,473	110,836	10,159,688
2012 PROJECTED	2,346	106,624	10,268,116
PERCENT CHANGE 1990 TO 2000	-16.8%	-6.0%	6.9%
PERCENT CHANGE 2000 TO 2007	-7.0%	-4.8%	2.2%
PERCENT CHANGE 2007 TO 2012	-5.1%	-3.8%	1.1%
POPULATION BY AGE 2007			
PERCENT AGE LESS THAN 18 (CHILDREN)	21.1%	27.2%	24.5%
PERCENT AGE 18 TO 34 (YOUNG ADULTS)	34.5%	26.6%	22.6%
PERCENT AGE 35 TO 54 (MIDDLE-AGED ADULTS)	27.2%	26.9%	29.2%
PERCENT AGE 55 OR MORE (SENIORS)	17.2%	19.2%	23.7%
MEDIAN AGE	31.9	32.5	37.1
POPULATION BY GENDER 2007			
PERCENT MALE	52.8%	48.3%	49.2%
PERCENT FEMALE	47.2%	51.8%	50.8%
POPULATION BY EDUCATION (AGE 25+) 2007			
PERCENT HIGH SCHOOL GRADUATES OR LESS	45.1%	44.1%	47.6%
PERCENT SOME COLLEGE	21.4%	27.0%	23.4%
PERCENT COLLEGE GRADUATES OR MORE	33.5%	28.9%	29.1%
POPULATION BY MARITAL STATUS (AGE 15+) 2007			
PERCENT NEVER MARRIED	50.5%	35.2%	27.2%
PERCENT MARRIED	28.4%	44.8%	56.3%
PERCENT WIDOWED/DIVORCED	21.2%	20.0%	16.5%
LAND AREA, POPULATION DENSITY & DAYTIME POPULATION 2007			
LAND AREA (IN SQUARE MILES)	1.2	32.7	56,803.8
PERSONS PER SQUARE MILE	2,067.7	3,389.0	178.9
DAYTIME POPULATION	35,384	74,683	5,680,903

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends for the Lansing DSA include the following:

- The total population within the DSA decreased at a higher rate than the remainder of the city from 1990 to 2000 (16.8% versus 6.0%), while the state increased 6.9% during the same period. The total population within the DSA was projected to decrease at a higher rate than the remainder of the city from 2000 to 2012 as well (12.1% versus 8.6%). The state's population was projected to increase 3.3% during this same 12-year period.
- In 2007 2,473 people resided within the DSA, representing only 2.2% of the city's total population.

- In 2007 the typical DSA resident profile was a 32 year old adult (34.5% were between 18 and 34 years of age, the largest cohort) who was college educated (54.9%) and unmarried (71.7%). This profile is similar to the remainder of the city, but different from the state. The percentage of children under 18 years of age within the DSA was lower than the remainder of the city and the state (21.1% versus 27.2% and 24.5%), and the percentage of residents 55 years of age and older was also lower than the remainder of the city and the state (17.2% versus 19.2% and 23.7%).
- In 2007 the land area within the DSA represented 3.5% of the total area within the city limits.
- In 2007 the population density within the DSA was 1.6 times sparser than the remainder of the city.

Household Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF LANSING	STATE OF MICHIGAN
HOUSEHOLDS			
1990 CENSUS	1,821	48,620	3,419,331
2000 CENSUS	1,568	47,911	3,785,661
2007 ESTIMATED	1,472	46,575	3,936,519
2012 PROJECTED	1,399	45,274	4,009,481
PERCENT CHANGE 1990 TO 2000	-13.9%	-1.5%	10.7%
PERCENT CHANGE 2000 TO 2007	-6.1%	-2.8%	4.0%
PERCENT CHANGE 2007 TO 2012	-5.0%	-2.8%	1.9%
HOUSEHOLDS BY COMPOSITION 2007			
PERCENT SINGLE	56.7%	33.4%	27.2%
PERCENT MARRIED WITH CHILDREN	6.8%	16.4%	23.5%
PERCENT MARRIED NO CHILDREN	8.1%	20.0%	28.7%
PERCENT SINGLE PARENT	16.2%	21.5%	16.0%
PERCENT OTHER	12.3%	8.7%	4.7%
AVERAGE HOUSEHOLD SIZE 2007	1.9	2.4	2.5
HOUSEHOLDS BY TENURE 2007			
PERCENT OWNER	14.0%	59.3%	74.5%
PERCENT RENTER	86.0%	40.7%	25.5%
MEDIAN HOUSEHOLD INCOME 2007	\$22,171	\$38,930	\$50,319
HOUSEHOLDS BY PRIZM NE LIFESTAGE CLASSES & GROUPS 2007*			
PERCENT YOUNGER YEARS CLASS	63.0%	43.0%	32.7%
PERCENT <i>MIDLIFE SUCCESS</i> GROUP	2.4%	11.6%	15.4%
PERCENT <i>YOUNG ACHIEVERS</i> GROUP	16.2%	13.1%	6.8%
PERCENT <i>STRIVING SINGLES</i> GROUP	44.4%	18.2%	10.5%
PERCENT FAMILY LIFE CLASS	11.1%	24.7%	30.6%
PERCENT <i>ACCUMULATED WEALTH</i> GROUP	0.0%	0.6%	4.0%
PERCENT <i>YOUNG ACCUMULATORS</i> GROUP	0.1%	4.9%	8.4%
PERCENT <i>MAINSTREAM FAMILIES</i> GROUP	6.3%	11.0%	14.7%
PERCENT <i>SUSTAINING FAMILIES</i> GROUP	4.8%	8.2%	3.6%
PERCENT MATURE YEARS CLASS	25.9%	32.3%	36.7%
PERCENT <i>AFFLUENT EMPTY NESTS</i> GROUP	0.3%	2.6%	6.1%
PERCENT <i>CONSERVATIVE CLASSICS</i> GROUP	2.0%	8.8%	10.7%
PERCENT <i>CAUTIOUS COUPLES</i> GROUP	3.5%	14.4%	11.6%
PERCENT <i>SUSTAINING SENIORS</i> GROUP	20.0%	6.6%	8.4%

Source: 2000 Census; Claritas, Inc.

*See Addendum A for Lifestage Class & Group definitions.

Noteworthy observations and trends for the Lansing DSA include the following:

- The total number of households within the DSA decreased at a higher rate than the remainder of the city from 1990 to 2000 (13.9% versus 1.5%), while state households increased by 10.7% during the same period. From 2000 to 2012, households within the DSA were projected to decrease at a higher rate than the remainder of the city (11.1% versus 5.6%), while state households were projected to increase 5.9% during this same 12-year period.
- In 2007 1,472 households resided within the DSA, representing only 3.1% of the city's total households.
- In 2007 the typical DSA household profile was a single adult (72.9%) with no children (64.8%) earning \$22,171 a year (median income) and renting their residence (86.0%). This profile is quite different from the remainder of the city and the state. Percentages of DSA households with children (23.0%) and married adults (14.9%) were well below the remainder of the city (54.9% and 36.4%) and the state (39.5% and 52.2%).
- In 2007 the average household size within the DSA (1.9 people) was smaller than the remainder of the city (2.4) and the state (2.5).
- In 2007 the percent of renter households within the DSA (86.0%) was much higher than the remainder of the city (40.7%) and the state (25.5%).
- In 2007 the median income within the DSA (\$22,171) was well below the remainder of the city (\$38,930) and the state (\$50,319).
- *Claritas, Inc. Prizm NE Lifestage* data for 2007 (estimated) was used to determine DSA resident profiles. Residents were classified in three main Lifestage classes: Younger Years, Family Life, and Mature Years. The largest Lifestage class within the DSA was *Younger Years* at 63.0% of all households, while the two largest Lifestage groups were *Striving Singles* (44.4%) and *Sustaining Singles* (20.0%). The largest Lifestage class in the remainder of the city was *Younger Years* at 43.0% of all households, while the two largest Lifestage groups were *Striving Singles* (18.2%) and *Cautious Couples* (14.4%). The largest Lifestage class in the state was *Mature Years* at 36.7% of all households, while the two largest Lifestage groups were *Midlife Success* (15.4%) and *Mainstream Families* (14.7%). The DSA Lifestage class and group percentages are different from the remainder of the city and the state as a whole. This indicates that household composition within the DSA is different from the remainder of the city and the state as a whole. DSA households are smaller, mostly childless, mostly unmarried, lower income, and mostly renters.

Housing Characteristics

	DOWNTOWN STUDY AREA	REMAINDER OF LANSING	STATE OF MICHIGAN
HOUSING UNITS 2000			
PERCENT OCCUPIED	86.7%	93.4%	89.4%
PERCENT VACANT	13.3%	6.6%	10.6%
TOTAL	1,809	51,282	4,234,279
HOUSING UNITS 2007			
PERCENT OCCUPIED	82.5%	91.1%	87.8%
PERCENT VACANT	17.5%	8.9%	12.2%
TOTAL	1,785	51,100	4,482,194
HOUSING UNITS 2012			
PERCENT OCCUPIED	78.4%	88.9%	86.2%
PERCENT VACANT	21.6%	11.1%	13.8%
TOTAL	1,784	50,953	4,652,213
HOUSING PAYMENTS GREATER THAN 30% OF INCOME BY TENURE 2000			
PERCENT OWNER-OCCUPIED UNITS	22.3%	18.6%	17.8%
PERCENT RENTER-OCCUPIED UNITS	39.4%	38.9%	37.6%
AVERAGE MONTHLY OWNER HOUSING PAYMENT 2000	\$557	\$687	\$1,037
AVERAGE MONTHLY RENTER HOUSING PAYMENT 2000	\$446	\$523	\$578
AVERAGE NUMBER OF ROOMS PER OCCUPIED HOUSING UNIT 2000	4.1	5.3	5.7
AVERAGE NUMBER OF BEDROOMS PER OCCUPIED HOUSING UNIT 2000	2.0	2.2	2.3
YEAR BUILT; OWNER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	5.3%	2.9%	16.0%
PERCENT 1980 TO 1989	2.2%	4.1%	9.7%
PERCENT 1979 OR EARLIER	92.5%	93.0%	74.3%
YEAR BUILT; RENTER-OCCUPIED UNITS (2000)			
PERCENT 1990 TO MARCH 2000	1.3%	5.2%	10.2%
PERCENT 1980 TO 1989	7.2%	14.2%	13.0%
PERCENT 1979 OR EARLIER	91.5%	80.6%	76.8%
HOUSING UNITS BY STRUCTURE TYPE 2000			
PERCENT SINGLE FAMILY	21.9%	70.4%	74.5%
PERCENT 2 TO 19 UNITS IN A BUILDING	43.6%	20.8%	13.7%
PERCENT 20 TO 49 UNITS IN A BUILDING	6.8%	3.4%	2.2%
PERCENT 50 OR MORE UNITS IN A BUILDING	27.6%	3.7%	3.0%
PERCENT OTHER	0.0%	1.7%	6.7%
MEDIAN HOME VALUE 2000	\$60,763	\$72,818	\$110,857
MEDIAN HOME VALUE 2007	\$78,222	\$96,482	\$145,613
MEDIAN HOME VALUE 2012	\$87,179	\$107,008	\$158,803
AVERAGE RESIDENCY LENGTH; OWNER-OCCUPIED UNITS	6.0	10.0	11.0
ANNUAL TURNOVER; OWNER-OCCUPIED UNITS (2000)	4.6%	8.5%	7.7%
ANNUAL TURNOVER; RENTER-OCCUPIED UNITS (2000)	33.9%	34.8%	31.6%

Source: 2000 Census; Claritas, Inc.

Noteworthy observations and trends for the Lansing DSA include the following:

- The total number of housing units in the DSA was projected to decrease at a slightly higher rate than the remainder of the city from 2000 to 2012 (1.4% versus 0.6%), while the number of the state's housing units was expected to increase by 9.9%.
- While the total number of housing units in the DSA was projected to decrease 2000 to 2012, the vacancy rate was projected to increase from 13.3% to 21.6% (a 62.4% increase). This increasing vacancy rate was projected to hold true for the remainder of the city and the state, however, at differing rates.
- In 2007 there were 1,785 housing units within the DSA, representing only 3.4% of the city's total housing units. DSA housing units were estimated to be 17.5% vacant.
- In 2000 39.4% of the renter-occupied units within the DSA paid more than 30% of their gross income for housing. This is a slightly higher percentage than the remainder of the city (38.9%) and the state (37.6%).
- In 2000 owner-occupied units within the DSA paid an average of \$557 per month for housing, which was less than the remainder of the city (\$687) and much less than the state (\$1,037). Renter-occupied units within the DSA paid an average of \$446 per month for housing, which was less than the remainder of the city (\$523) and the state (\$578).
- In 2000 the average number of total rooms (4.1) and bedrooms (2.0) per DSA housing unit were less than the remainder of the city (5.3 and 2.2) and the state (5.7 and 2.3). This indicates that housing units within the DSA were smaller than those found in the rest of the city and the state.
- In 2000 78.0% of all housing units within the DSA were in multi-unit buildings. This percentage is much higher than the remainder of the city (27.9%) and the state (18.9%). Conversely, only 21.9% of all housing units in the DSA were single-unit/single-family structures.
- Although the median home value within the DSA was projected to increase at a similar rate to the remainder of the city and the state from 2000 to 2012 (43.5% versus 47.0% and 43.3%), the actual values were projected to be much lower than the remainder of the city and lower than the state.

- The average residency length of owner-occupied units within the DSA (six years) is much shorter than the remainder of the city (10 years) and the state (11 years). The annual turnover rate within the DSA for renter-occupied units is similar to the remainder of the city and the state, while the rate for owner-occupied units is lower.

Crime & Transportation

	DOWNTOWN STUDY AREA	REMAINDER OF LANSING	STATE OF MICHIGAN
CRIME INDEX 2007*			
<i>PERSONAL CRIME</i>	203	130	94
<i>PROPERTY CRIME</i>	324	194	115
WORKER COMMUTE BY MODE (AGE 16+) 2007			
PERCENT DRIVE ALONE	62.9%	79.1%	83.5%
PERCENT CARPOOL	15.9%	12.7%	9.6%
PERCENT PUBLIC TRANSIT	6.7%	2.6%	1.2%
PERCENT WALK	9.8%	2.3%	2.2%
PERCENT MOTORCYCLE / BICYCLE	0.5%	0.4%	0.2%
PERCENT OTHER MEANS	0.5%	0.3%	0.5%
PERCENT WORK AT HOME	3.9%	2.5%	2.9%
TOTAL WORKERS	1,084	52,636	4,777,007
AVERAGE WORKER COMMUTE TIME IN MINUTES (AGE 16+) 2007	20.8	21.4	26.2
AVERAGE NUMBER OF VEHICLES PER HOUSEHOLD BY TENURE 2007			
OWNER HOUSEHOLDS	0.9	1.5	1.8
RENTER HOUSEHOLDS	1.4	1.7	2.0
ALL HOUSEHOLDS	0.8	1.2	1.2

Source: 2000 Census; Claritas, Inc.; Applied Geographic Solutions; VWB Research

*Based on a par value of 100

Noteworthy observations and trends for the Lansing DSA include the following:

- In 2007 personal and property crime indices within the DSA were higher than the remainder of the city and much higher than state and national averages.
- In 2007 the adult workers within the DSA used a car less often to commute than did the adult workers in the remainder of the city and the state (78.8% versus 91.8% and 93.1%); 9.8% walked to work, and 6.7% used public transit.
- In 2007 adult workers within the DSA had shorter commute times (20.8 minutes) than those in the remainder of the city (21.4) and the state (26.2).

- In 2007 households within the DSA had fewer vehicles (0.8) than those in the remainder of the city (1.2) and the state (1.2).

Economic & Employment Indicators

	DOWNTOWN STUDY AREA	REMAINDER OF LANSING	STATE OF MICHIGAN
EMPLOYMENT SHARE BY INDUSTRY 2007			
AGRICULTURE & NATURAL RESOURCES	0.1%	0.5%	1.1%
MINING	0.1%	0.1%	0.1%
CONSTRUCTION	4.9%	2.8%	4.3%
MANUFACTURING	1.4%	5.0%	14.7%
TRANSPORTATION & UTILITIES	1.4%	5.2%	4.1%
WHOLESALE TRADE	0.8%	2.5%	4.3%
RETAIL TRADE	3.4%	15.4%	19.4%
F.I.R.E.	3.7%	2.9%	5.9%
SERVICES	31.3%	58.6%	39.9%
GOVERNMENT	51.7%	6.4%	5.0%
NON-CLASSIFIABLE	1.3%	0.4%	1.1%
TOTAL EMPLOYEES	35,383	74,684	5,680,903
ANNUAL UNEMPLOYMENT RATE			
2000	NA	4.1%	3.7%
2001	NA	5.3%	5.2%
2002	NA	6.3%	6.2%
2003	NA	7.6%	7.1%
2004	NA	8.5%	7.0%
2005	NA	8.5%	6.8%
2006	NA	8.5%	6.9%
2007	NA	8.6%	7.2%
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME 2007	\$20,643	\$33,105	\$41,752
ECONOMIC DENSITIES 2007			
TOTAL BUSINESSES PER SQUARE MILE	1,026.8	119.1	7.1
RETAIL BUSINESSES PER SQUARE MILE	108.7	24.6	1.4
EMPLOYEES PER SQUARE MILE	29,585.3	2,283.5	100.0
RESIDENTIAL MULTI-UNIT BUILDING PERMITS BY DECADE (5+ UNITS PER BUILDING)			
2000 TO 2006 (UNITS)	NA	883	46,563
1990 TO 1999 (UNITS)	NA	385	65,592
1980 TO 1989 (UNITS)	NA	2,106	106,921

Source: Claritas, Inc.; Department of Labor, Bureau of Labor Statistics; socds.huduser.org – Building Permit Database

Table continued

TOP 10 EMPLOYERS WITHIN ONE MILE OF DOWNTOWN STUDY AREA	NUMBER OF EMPLOYEES	TYPE OF BUSINESS
1. SPARROW HOSPITAL	6,000	HOSPITAL
2. ST. LAWRENCE HOSPITAL	6,000	HOSPITAL
3. SPARROW HEALTH SYSTEM	6,000	SOCIAL SERVICES
4. LANSING COMMUNITY COLLEGE	3,111	COLLEGE
5. MEDICAL SERVICES ADMINISTRATION	3,000	MEDICAL SERVICES
6. LANSING COMMUNITY COLLEGE	1,800	COLLEGE
7. TRANSPORTATION DEPARTMENT	1,500	REGULATION/ADMINISTRATION
8. HIGHWAY BUREAU	1,500	HIGHWAY/BRIDGE CONSTRUCTION
9. COMMUNITY HEALTH DEPARTMENT	1,400	HEALTH SERVICES
10. FAMILY INDEPENDENCE AGENCY	1,300	FAMILY SERVICES

Source: 2007 InfoUSA Business Database

Noteworthy observations and trends for the Lansing DSA include the following:

- In 2007 35,383 people worked within the DSA, representing 32.2% of all workers within the city, a high percentage.
- In 2007 the industry with the most employees within the DSA was Government at 51.7%.
- In 2007 white-collar employment within the DSA (52.5%) was similar to the remainder of the city (56.8%) and higher than the state (56.9%).
- From 2000 to 2007, the unemployment rate for Lansing has been higher than the state rate, while increasing from 3.9% to 8.7%. In 2007 the unemployment rate for Lansing was 8.7%, compared to the state's 7.2%
- In 2007 the median household effective buying income within the DSA (\$20,643) was well below the remainder of the city (\$33,105) and the state (\$41,752).
- On a citywide basis, the number of residential permits issued for units in buildings with five or more dwellings fluctuated over the last three decades. Permits for multi-unit buildings (five or more units) issued during the 1990s decreased 81.7% from those issued during the 1980s. The same type permits issued during the 2000s (adjusted for a full decade) are projected to increase 327.6% from those issued during the 1990s. Since 2000, an average of 126 multi-unit building permits per year were issued citywide; down from 211 per year during the 1980s.

- Within 1.0 mile of the DSA, the largest employer is Sparrow Hospital/Health System with 12,000 employees. The 10 largest employers within 1.0 mile of the DSA employ a total of 31,611 people. Within the DSA, 35,383 people are employed, yielding an “Employment per DSA Resident” ratio of 14.3 to one (based on 2007 estimates).

Demographic Summary

Resident households within the Lansing DSA typically are childless, unmarried adults (32 year median age) who either live alone or with a roommate/partner, are college educated, earn an average of \$22,000 per year, and rent their residence. The largest Lifestage Group is *Striving Singles*. There are slightly more males than females. After declining in the 1990s, the DSA population is projected to further decrease from 2000 to 2012 with the number of households declining as well. Only 2.2% of the city’s population is projected to live within the DSA in 2007. Population density is below average for DSAs in this study, while daytime population is well above average. It is estimated that in 2007 student households comprise 32.9% of all Lansing DSA households. Cooley Law School clearly impacts the demographics and housing of downtown Lansing.

The number of total housing units within the DSA is projected to decrease from 2000 to 2012, while the vacancy rate is expected to increase. Only 3.4% of the city’s total housing units are projected to be within the DSA. There are many more renters than owners, and many of those renting pay over 30% of their income for housing. Housing units are denser (more units per building) and smaller within the DSA than the remainder of the city. The typical housing unit within the DSA has two bedrooms and is in a multi-unit building. DSA owners pay much less per month for housing than the state average, while renters also pay less than the state average. While median home values are increasing, they are lower than the remainder of the city and much lower than the state. Residency length is shorter within the DSA, and the annual turnover rates for renters and owners are similar to the remainder of the city and the state.

Crime indices within the DSA are much higher than the rest of the city and the state. Property crime indices are higher than personal crime indices within the DSA. Transportation data indicates that DSA residents/households drive less often to work, have slightly shorter commuting times, and own fewer vehicles than their counterparts outside the DSA.

Sparrow Hospital/Health System and St. Lawrence Hospital most heavily influence employment in and near the DSA. There are no private for-profit businesses in the largest 10 employers within 1.0 mile of the DSA. Most employment is white-collar (52.5%) with 90.1% of jobs falling within Service, Retail, Government, and Finance/Insurance/Real Estate industries.

Unemployment citywide has increased each year since 2000, and remains slightly above the state rate. The issuance of building permits for residential dwellings in multi-unit buildings dropped dramatically in the 1990s, but has bounced back strongly in the current decade. Economic densities for the DSA are much higher than the remainder of the city, and about average for DSAs in this study. The employees per square mile density is exceptionally high for the Lansing DSA.

3. **MULTI-UNIT HOUSING SUPPLY ANALYSIS**

Demographic Housing Supply Overview

According to the U.S. Census, the distribution of housing stock by tenure and occupancy within the Lansing DSA for 2000, 2007 (estimated), and 2012 (projected) is summarized in the following table:

HOUSING TYPE	2000 CENSUS		2007 (ESTIMATED)		2012 (PROJECTED)	
	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT	HOUSING UNITS	PERCENT
TOTAL OCCUPIED	1,568	86.7%	1,472	82.5%	1,399	78.4%
OWNER-OCCUPIED	227	14.5%	206	14.0%	192	13.7%
RENTER-OCCUPIED	1,341	85.5%	1,266	86.0%	1,207	86.3%
VACANT	241	13.3%	313	17.5%	385	21.6%
TOTAL	1,809	100.0%	1,785	100.0%	1,784	100.0%

Source: 2000 Census; Claritas, Inc.; VWB Research

For all three years (2000, 2007, and 2012), renter-occupied housing units outnumber owner-occupied housing units by more than six to one.

Demographic housing trends indicate the total number of housing units within the DSA was projected to decrease by 25, or 1.3% from 2000 to 2012, while the vacancy rate for all housing units was projected to increase from 13.3% to 21.6% during the same 12-year period.

The following table shows the distribution of occupied housing units within the DSA by structure type (type = units per building) in 2000:

HOUSING UNITS BY STRUCTURE TYPE (2000 CENSUS)	NUMBER OF UNITS	PERCENT
SINGLE-UNIT	397	21.9%
LOW-DENSITY MULTI-UNIT (2 TO 19 UNITS PER BUILDING)	789	43.6%
MEDIUM-DENSITY MULTI-UNIT (20 TO 49 UNITS PER BUILDING)	123	6.8%
HIGH-DENSITY MULTI-UNIT (50+ UNITS PER BUILDING)	500	27.6%
OTHER (TRAILER/BOAT/RV/VAN/ETC.)	0	0.0%
TOTAL	1,809	100.0%

Source: U.S. Census Bureau; 2000 Census

The above table shows that most of the occupied housing units within the DSA were located in Low-Density Multi-Unit buildings (43.6%). Of all the occupied housing units within the DSA, 78.1% were located in Multi-Unit buildings, while 21.9% were located in Single-Unit (one-family) buildings.

The following table presents selected housing characteristics by owner- and renter-occupied housing units for the DSA in 2000:

HOUSING CHARACTERISTIC IN YEAR 2000	OWNER-OCCUPIED HOUSING UNITS	RENTER-OCCUPIED HOUSING UNITS
AVERAGE MONTHLY HOUSING PAYMENT	\$557	\$446
PERCENT WITH HOUSING PAYMENT GREATER THAN 30% OF INCOME	22.3%	39.4%
AVERAGE HOUSEHOLD SIZE	2.3	1.8
PERCENT MOVED-IN BETWEEN 1995 & 2000	41.9%	80.7%
ANNUAL TURNOVER RATE	4.6%	33.9%
AVERAGE NUMBER OF TOTAL ROOMS	6.4	3.6
AVERAGE NUMBER OF BEDROOMS	2.6	1.4
PERCENT BUILT BETWEEN 1990 & 2000	5.3%	1.3%
MEDIAN YEAR BUILT	<1939	1952

Source: U.S. Census Bureau; 2000 Census

Noteworthy observations from the above table about the DSA include:

- Thirty-nine percent of renter households paid more than 30% of their income for housing.
- Owner households were larger in size than renter households.
- Between 1995 and 2000, 80% of renter households moved into the DSA while 41% of owners moved in during that period.
- The annual turnover rate for renters was higher than owners. The owner turnover rate was very low.
- Owner-occupied units were much larger than renter-occupied units.
- Few owner or renter units were built during the 1990s.

Multi-Unit Rental Housing Supply Survey

We identified and surveyed nine multi-unit rental housing properties totaling 327 units within the Lansing DSA that met the study's selection criteria (refer to Lansing DSA Map using property Map I.D. numbers below). All nine properties are market-rate. A summary of the surveyed properties by type, unit count, and vacancy rate appears in the following table:

PROPERTY TYPE	PROPERTIES SURVEYED	TOTAL UNITS	VACANT UNITS	VACANCY RATE*
MARKET-RATE	9	327	8	2.4%
TOTAL	9	327	8	2.4%

*As of July 2007

The Lansing DSA multi-unit rental market is performing very well with an overall multi-unit rental vacancy rate of 2.4%. The study's aggregate vacancy rate for all surveyed multi-unit rental housing properties in this study is 8.9%; indicating the Lansing DSA has a lower vacancy rate than the study's aggregate average.

The following table summarizes key information for each multi-unit rental housing property surveyed within the DSA:

MAP I.D.	PROPERTY NAME	TYPE	YEAR BUILT/ RENOVATED	UNITS	BUILDING STORIES	VACANCY RATE****	QUALITY RATING	NET RENT*** RANGE
1	PRUDDEN PLACE	MRR	2006	72	3	1.4%	A	\$827 - \$1,238
2	FERRIS PARK TOWERS	MRR	1967	109	5	4.6%	B-	\$671 - \$894
3	JI CASE LOFTS	MRR	1904 / 2001	13	3	7.7%	B	\$892 - \$1,176
4	STADIUM DISTRICT	MRR	2007	30*	4	U/C	A+	\$942 - \$1,363
5	WASHINGTON LOFT APTS.	MRR	1934 / 2006	4	2	0.0%	B-	\$1,326
6	FIRST FLOOR LOFTS	MRR	1902 / 2007	8	3	12.5%	B+	\$767 - \$1,839
7	ALLEGAN LOFTS APTS.	MRR	1910 / 2004	11	3	0.0%	B	\$767 - \$1,326
8	THE ARBAUGH	MRR	1905 / 2007	48**	5	U/C	A-	\$800 - \$1,150
9	MOTOR WHEEL LOFTS	MRR	1916 / 2006	110	3	0.0%	B	\$675 - \$2,850

*Property is under construction

**Property is down for renovation

***Net rent excludes all utilities except water, sewer, and trash removal.

****As of July 2007

From the above table, 146 units, or 36.1%, are in six older buildings that were renovated between 2001 and 2007, 181 units, or 44.7%, are in two new buildings that were constructed in 1967 and 2006, and 78 (19.3%) units were under construction at the time of the field survey (one renovation and one new build). The largest of the surveyed properties is The Motorwheel Lofts with 110 total units, while the smallest is Washington Loft Apartments with four total units. The average sized multi-unit rental property within the Lansing DSA is 45 units.

Each surveyed rental property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. Surveyed properties had quality ratings from A to B-, net monthly rents from \$671 to \$2,850, vacancy rates from 0.0% to 12.5%, and two to five stories.

The following table summarizes the breakdown of unit information by property type within the DSA:

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	VACANCY RATE*	MEDIAN NET RENT
STUDIO	1.0	55	16.8%	3	5.5%	\$671
ONE-BEDROOM	1.0	189	57.8%	4	2.1%	\$827
ONE-BEDROOM	1.5	7	2.1%	0	0.0%	\$1,092
TWO-BEDROOM	1.0	21	6.4%	1	4.8%	\$894
TWO-BEDROOM	2.0	50	15.3%	0	0.0%	\$996
THREE-BEDROOM	1.0	2	0.6%	0	0.0%	\$1,639
THREE-BEDROOM	2.0	3	0.9%	0	0.0%	\$1,570
TOTAL MARKET-RATE		327	100.0%	8	2.4%	-

*As of July 2007

Of the 327 units that were surveyed, all were market-rate and eight were vacant (2.4%). The most common unit type for all property types was a one-bedroom/one-bath floor plan (57.8%), while the least common unit type was a three-bedroom/one-bath floor plan (0.6%). The highest vacancy rate (5.5%) was in the studio/one-bath market-rate unit. Median net monthly rent values range from a low of \$671 for a studio/one-bath market-rate unit to a high of \$1,639 for a three-bedroom/one-bath market-rate unit.

The following table summarizes the average net monthly rent per square foot by bedroom type and unit design for the multi-unit rental properties surveyed within the DSA (note: garden units have all living areas on one floor, regardless of the number of stories in a building, while townhouse units have living areas on multiple floors):

BEDROOM TYPE	AVERAGE NET RENT PER SQUARE FOOT			
	MARKET-RATE		TAX CREDIT	
	GARDEN	TOWNHOUSE	GARDEN	TOWNHOUSE
STUDIO	\$0.98	-	-	-
ONE-BEDROOM	\$1.03	\$0.89	-	-
TWO-BEDROOM	\$0.87	\$0.85	-	-
THREE-BEDROOM	\$1.03	\$0.97	-	-

Of the 405 units surveyed, 393 (97.0%) are garden-style of which 78.4% are elevator-served, and the remaining 12 (13.0%) are townhouse loft-style. The average net monthly rents per square foot range from a low of \$0.85 for a two-bedroom market-rate unit to a high of \$1.03 for one-bedroom and three-bedroom market-rate units. Garden-style units have slightly higher net rents than townhouse-style units. Compared to aggregate averages in this study, the Lansing DSA's average net monthly rents per square foot are similar.

The following table summarizes property counts, unit counts, vacancy rates, and median net monthly rents by quality rating and property type:

MARKET-RATE PROPERTIES				MEDIAN NET RENT			
QUALITY RATING	NUMBER	TOTAL UNITS	VACANCY RATE*	STUDIO	ONE-BR.	TWO-BR.	THREE-BR.
A	1	72	1.4%	-	\$867	\$996	-
B+	1	8	12.5%	-	\$767	-	\$1,639
B	3	134	0.7%	-	\$860	\$1,250	\$1,570
B-	2	113	4.4%	\$671	\$782	\$894	-

*As of July 2007

As evidenced in the above table, no correlation exists between the quality of surveyed properties and their vacancy rates. However, the highest rated property has a very low vacancy rate. Further, no correlation appears to exist between net monthly rents and quality ratings.

The following appliances were included in the surveyed rental units (frequency indicated by percentage of units):

- Range (100.0%)
- Refrigerator (100.0%)
- Icemaker (44.9%)
- Dishwasher (100.0%)
- Disposal (100.0%)
- Microwave (70.1%)

The following amenities were included in the surveyed rental units (frequency indicated by percentage of units):

- Air conditioning (central 61.2% / window 26.9%)
- Floor covering (100.0%)
- Washer/dryer machines (73.1%)
- Washer/dryer hook-ups (73.1%)
- Patio-deck-balcony (79.3%)
- Ceiling fan (44.0%)
- Intercom system (34.3%)
- Window treatment (100.0%)

The following common amenities were included in the surveyed rental properties for use by residents (frequency indicated by percentage of units):

- On-site management (91.1%)
- Laundry facilities (26.9%)
- Meeting room (83.7%)
- Fitness center (26.9%)
- Elevator (76.5%)
- Concierge service (27.2%)

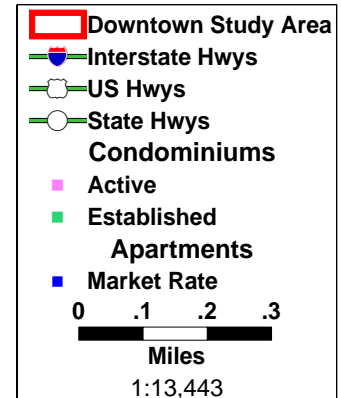
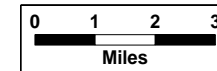
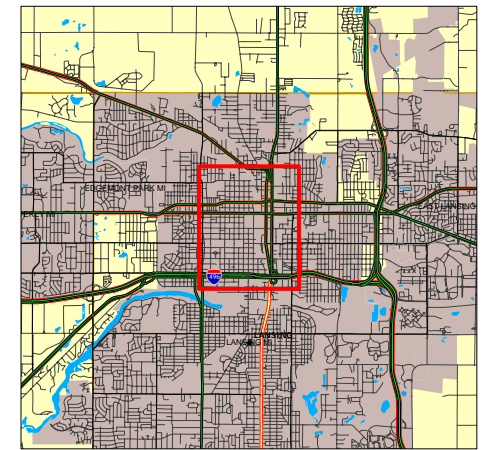
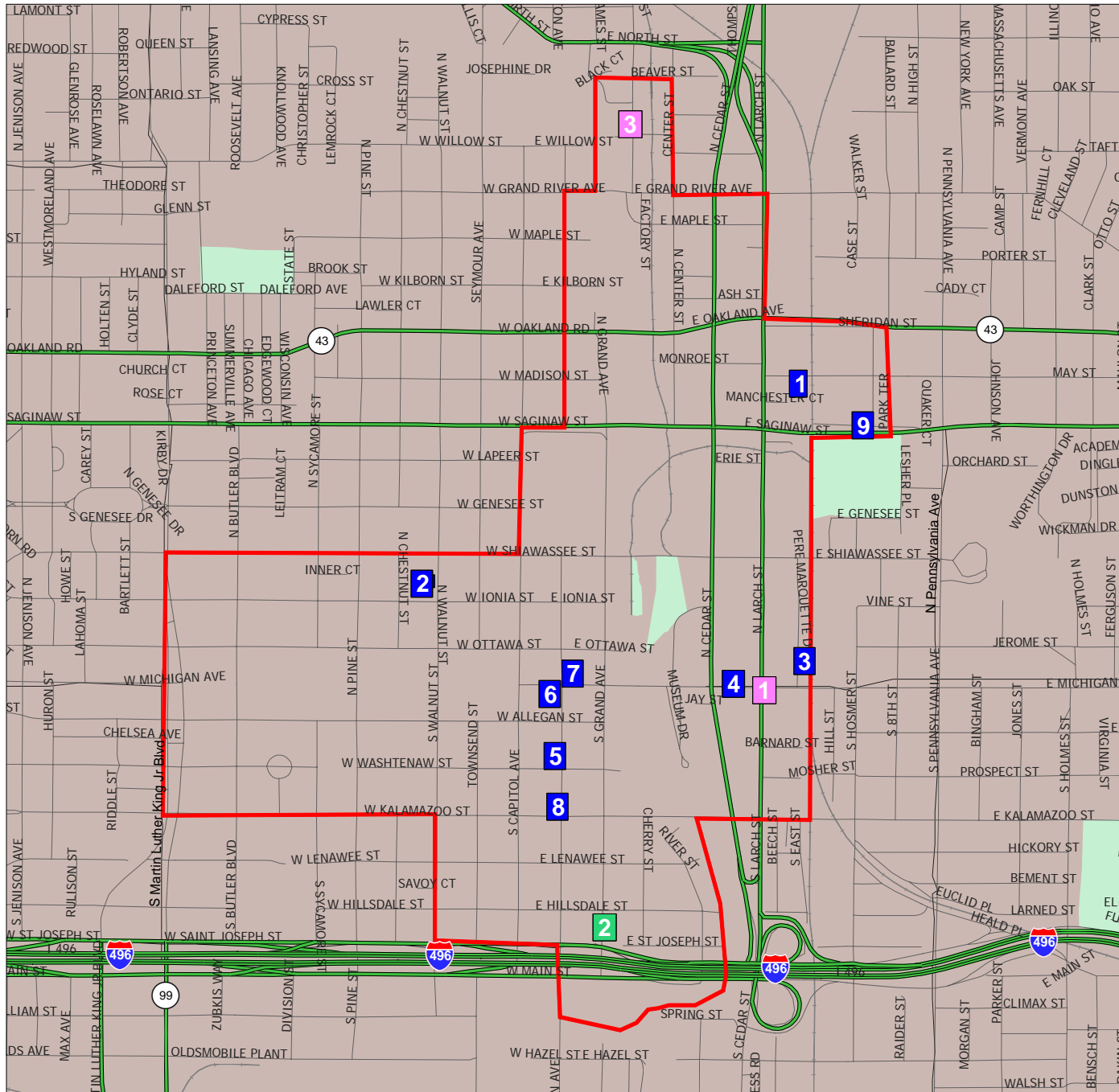
The following utility mix and payment responsibility were used in the surveyed rental properties (frequency indicated by percentages of units):

- Space heating (gas 66.7% / electric 33.3%; tenant 100.0%)
- Cooking (electric 100.0% / tenant 100.0%)
- Water heating (gas 100.0%; landlord 33.3% / tenant 66.7%)
- Other electric (tenant 100.0%)
- Water-sewer-trash (landlord 67.0% / tenant 33.0%)

An abbreviated field survey of all multi-unit rental properties in the Lansing DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:

- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type, year built and renovated (if applicable), number of floors, total units, occupancy rate, quality rating, and presence of an elevator.
- Rent and unit information by property and number of bedrooms.

Lansing, MI: DSA Boundary with Surveyed Properties



SURVEY OF RENTAL PROPERTIES - LANSING, MI





1 Prudden Place	
	<p>Address 620 May St. Lansing, MI 48906</p> <p>Year Built 2006</p> <p>Project Type Market-rate</p> <p>Comments Many young professionals and hospital employees; Carports range from \$15 to \$25 per month; No elevator</p>
	<p>Contact Mailee Phone (517) 492-1383 (Contact in person)</p> <p>Total Units 72 Vacancies 1 Occupied 98.6% Floors 3 Quality Rating A Waiting List None</p>
2 Ferris Park Towers	
	<p>Address 323 Walnut St. Lansing, MI 48933</p> <p>Year Built 1967</p> <p>Project Type Market-rate</p> <p>Comments Most tenants are Cooley law students; Elevator</p>
	<p>Contact Joe Phone (517) 482-2378 (Contact in person)</p> <p>Total Units 109 Vacancies 5 Occupied 95.4% Floors 9 Quality Rating B- Waiting List None</p>
3 JI Case Lofts	
	<p>Address 113 Pere Marquette Dr. Lansing, MI 48912</p> <p>Year Built 1904 Renovated 2001</p> <p>Project Type Market-rate</p> <p>Comments Underground parking garage is \$50 to \$75 per month; Mostly young professionals; Former tractor factory; Elevator</p>
	<p>Contact Caroline Phone (517) 482-9911 (Contact in person)</p> <p>Total Units 13 Vacancies 1 Occupied 92.3% Floors 3 Quality Rating B Waiting List None</p>
4 Stadium District	
	<p>Address 500 E. Michigan Ave. Lansing, MI 48912</p> <p>Year Built 2007</p> <p>Project Type Market-rate</p> <p>Comments All 30 units under construction; Mixed-use; Elevator</p>
	<p>Contact Deb Phone (517) 333-4123 (Contact in person)</p> <p>Total Units 0 Vacancies 0 Occupied 0 Floors 4 Quality Rating A+ Waiting List None</p>
5 Washington Loft Apts.	
	<p>Address 222 S. Washington Sq. Lansing, MI 48933</p> <p>Year Built 1934 Renovated 2006</p> <p>Project Type Market-rate</p> <p>Comments Located above Deckers Coffee Company & vacant commercial building; Year built estimated; No elevator</p>
	<p>Contact Name not given Phone (517) 749-0880 (Contact by phone)</p> <p>Total Units 4 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List None</p>

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

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SURVEY OF RENTAL PROPERTIES - LANSING, MI

6 First Floor Lofts			
	Address 109 S. Washington Sq. Lansing, MI 48933	Contact Ernie Phone (517) 881-5602 (Contact by phone)	Total Units 8 Vacancies 1 Occupied 87.5% Floors 3 Quality Rating B+ Waiting List None
	Year Built 1902 Renovated 2007 Project Type Market-rate Comments Located above Capital Pharmacy; No elevator		
7 Allegan Lofts Apts.			
	Address 107-111 E. Allegan St. Lansing, MI 48933	Contact Susan Phone (517) 349-1900 (Contact by phone)	Total Units 11 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating B Waiting List None
	Year Built 1910 Renovated 2004 Project Type Market-rate Comments Year built & parking garage charge estimated; Many Cooley Law & MSU students & young professionals; No elevator		
8 The Arbaugh			
	Address 401 S. Washington Ave. Lansing, MI 48933	Contact Karp & Associat Phone (517) 374-7704 (Contact by phone)	Total Units 0 Vacancies 0 Occupied 0 Floors 5 Quality Rating A- Waiting List None
	Year Built 1905 Renovated 2007 Project Type Market-rate Comments All 48 units under construction; Mixed-use, office & retail; Formerly Arbaugh Department Store; Storage price estimated; Elevator		
9 Motor Wheel Lofts			
	Address 707 Prudden St. Lansing, MI 48933	Contact Noelle, Lauren Phone (517) 862-5732 (Contact in person)	Total Units 110 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating B Waiting List None
	Year Built 1916 Renovated 2006 Project Type Market-rate Comments Many young professionals and a few empty nesters; Underground parking; Started lease up August 2006, 95% occupied by October 2; Elevator		

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

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PRICE PER SQUARE FOOT - LANSING, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
2	Ferris Park Towers	1	685	\$671	\$0.98
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Prudden Place	1	800 to 1188	\$827 to \$1077	\$0.91 to \$1.03
2	Ferris Park Towers	1	967	\$782	\$0.81
3	JI Case Lofts	1 to 1.5	750 to 1200	\$892 to \$1092	\$0.91 to \$1.19
4	Stadium District	1	670	\$942	\$1.41
6	First Floor Lofts	1	650	\$767 to \$817	\$1.18 to \$1.26
7	Allegan Lofts Apts.	1	580 to 1000	\$767 to \$867	\$0.87 to \$1.32
8	The Arbaugh	1	827	\$800 to \$850	\$0.97 to \$1.03
9	Motor Wheel Lofts	1	580 to 960	\$675 to \$1050	\$1.09 to \$1.16
		1.5	1680	\$1450	\$0.86
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
1	Prudden Place	2	1057 to 1452	\$936 to \$1238	\$0.85 to \$0.89
2	Ferris Park Towers	1	1083 to 1378	\$844 to \$894	\$0.65 to \$0.78
3	JI Case Lofts	2	1200	\$1176	\$0.98
4	Stadium District	2	909	\$1076	\$1.18
5	Washington Loft Apts.	2	1400	\$1326	\$0.95
7	Allegan Lofts Apts.	1	1200	\$1326	\$1.11
8	The Arbaugh	2	845 to 1194	\$735 to \$1100	\$0.87 to \$0.92
9	Motor Wheel Lofts	1	1030	\$1030	\$1.00
		2	1120 to 2850	\$1250 to \$2850	\$1.00 to \$1.12
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	NET RENT	\$ / SQ. FT.
4	Stadium District	2	1250	\$1363	\$1.09
6	First Floor Lofts	1	1800	\$1639 to \$1839	\$0.91 to \$1.02
8	The Arbaugh	2	1254	\$815 to \$1150	\$0.65 to \$0.92
9	Motor Wheel Lofts	2	1510 to 1570	\$1570	\$1.00 to \$1.04

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

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MARKET RATE UNITS - LANSING, MI

STUDIO UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
2	Ferris Park Towers	55	685	1	\$680
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
9	Motor Wheel Lofts	44	580	1	\$675
9	Motor Wheel Lofts	3	580 - 600	1	\$675 - \$700
6	First Floor Lofts	6	650	1	\$750 - \$800
7	Allegan Lofts Apts.	10	580 - 1000	1	\$750 - \$850
2	Ferris Park Towers	36	967	1	\$795
8	The Arbaugh	0	827	1	\$800 - \$850
1	Prudden Place	31	800 - 871	1	\$810 - \$850
9	Motor Wheel Lofts	44	860	1	\$860 - \$950
3	JI Case Lofts	12	750 - 1200	1 - 1.5	\$875 - \$1075
4	Stadium District	0	670	1	\$925
1	Prudden Place	6	1188	1	\$1010 - \$1060
9	Motor Wheel Lofts	3	960	1	\$1050
9	Motor Wheel Lofts	1	1680	1.5	\$1450
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
8	The Arbaugh	0	845 - 1194	2	\$735 - \$1100
2	Ferris Park Towers	18	1083 - 1378	1	\$860 - \$910
1	Prudden Place	31	1057 - 1138	2	\$910 - \$970
9	Motor Wheel Lofts	2	1030	1	\$1030
4	Stadium District	0	909	2	\$1050
3	JI Case Lofts	1	1200	2	\$1150
1	Prudden Place	4	1452	2	\$1210
9	Motor Wheel Lofts	10	1120 - 2850	2	\$1250 - \$2850
7	Allegan Lofts Apts.	1	1200	1	\$1300
5	Washington Loft Apts.	4	1400	2	\$1300
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	COLLECTED RENT
8	The Arbaugh	0	1254	2	\$815 - \$1150
4	Stadium District	0	1250	2	\$1325
9	Motor Wheel Lofts	3	1510 - 1570	2	\$1570
6	First Floor Lofts	2	1800	1	\$1600 - \$1800

Surveyed - July 2007

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Multi-Unit Condominium Housing Supply Survey

We identified and surveyed three multi-unit condominium housing properties totaling 60 units within the Lansing DSA that met the study's selection criteria. Of these surveyed properties, one is established (properties where all units have sold), and two are active (properties with unsold condominium product). The following table shows the status of the multi-unit condominium properties included in the field survey:

PROPERTY TYPE	NUMBER OF PROPERTIES	UNITS		
		TOTAL	SOLD	UNSOLD
ESTABLISHED	1	12	12	0
ACTIVE	2	48	29	19
TOTAL	3	60	41	19

There are a total of 12 units in the established property that were sold between July 2006 and January 2007, and 48 units in the active properties. Of the active properties, 29 (60.4%) units were sold between July 2000 and July 2007 (study cut-off date), while 19 (39.6%) units remain unsold.

The following table summarizes the absorption trends by condominium property type within the DSA:

AVERAGE MONTHLY UNIT SALES	CONDOMINIUM PROPERTY TYPE			
	ESTABLISHED		ACTIVE	
	NUMBER	PERCENT	NUMBER	PERCENT
< 0.5	0	0.0%	2	100.0%
0.5 TO 0.9	0	0.0%	0	0.0%
1.0 TO 1.9	1	100.0%	0	0.0%
2.0 <	0	0.0%	0	0.0%
TOTAL	1	100.0%	2	100.0%

Since January 2000, a total of 41 condominium units sold. This is an average of 0.45 units monthly. The highest number of condominium units sold in any full year since 2000 was 2006 when 12 units sold. This translates into a monthly absorption of one unit. In 2007, the monthly absorption rate through July was even higher at 1.4 units. Prior to 2000, there were no condominium units available to purchase.

The following table details quality ratings, unit information, and sales data for each multi-unit condominium property surveyed within the DSA:

MAP I.D.	PROPERTY NAME	QUALITY RATING	TOTAL UNITS	SOLD UNITS	UNSOLD UNITS	AVERAGE INITIAL SALE PRICE	AVERAGE MONTHLY UNIT SALES	SALES PERIOD
1	STADIUM DISTRICT	A+	20	5	15	\$207,900.00	0.4	6/07 to 7/07
2	PRINTERS ROW	A	12	12	0	\$252,945.00	1.7	7/06 to 1/07
3	ON-THE-GRAND	A	28	24	4	\$158,978.00	0.3	7/00 to 7/07
TOTAL / AVERAGE		A	60	41	19	\$206,607.66	0.7*	

*Average weighted by sold units

Each surveyed condominium property was rated on a scale of A through E, with A rated properties representing very high quality product that is upscale and luxurious, and E rated properties representing very low quality product that is in serious disrepair. All properties were rated on overall quality and appearance. All surveyed properties received A ratings within the Lansing DSA.

There are 60 condominium units in three properties, 40 units, or 66.7%, are in two newly constructed properties, while the remaining 20 units, or 33.3%, were under construction at the time of the field survey. The largest of the surveyed properties is On-The-Grand with 28 total units, while the smallest is Printers Row with 12 total units. The average sized property is 20 units. The surveyed property with the most unsold units is Stadium District with 15 of 20 units available. Surveyed properties range in height from three to four stories.

The average sale price at the established property, Printers Row, is \$252,945. The average sale prices at the active properties range from a low of \$158,978 at On-The-Grand to a high of \$207,900 at Stadium District. The DSA average weighted (by unit count) sale price for active properties is \$179,525. The average weighted sale price for all surveyed condominium units in this study is \$202,723 for established properties and \$264,611 for active properties.

The surveyed property with the highest (fastest) absorption rate is Printers Row with 1.7 sales per month, while the property with the lowest (slowest) rate is On-The-Grand with 0.3 sales per month. The DSA average weighted (by sold units) absorption rate for all surveyed properties is 0.7 sales per month. This value is lower than the average weighted absorption rate for all surveyed condominium properties in this study, 2.1 sales per month.

The first condominium property within the Lansing DSA to be marketed was On-The-Grand with the first sale being recorded in July 2000.

The following table lists the active condominium properties within the DSA by unit type, number of stories, unit sizes, and sales pricing:

MAP ID	PROPERTY NAME	UNIT DESCRIPTION			BUILDING STORIES	SQUARE FEET	BASE SALES PRICE	PRICE PER SQUARE FOOT
		BR.	BATH	TYPE				
1	STADIUM DISTRICT	1	1.0	GD-EL	4	670	\$164,900	\$246.12
		2	2.0	GD-EL		909 to 940	\$208,900	\$222.23 to \$229.81
		3	2.0	GD-EL		1,250	\$225,900	\$180.72
3	ON-THE-GRAND	2	2.0	TH	3	1,300 to 1,700	\$145,000 to \$190,000	\$111.54 to \$111.76

Unit Type: LT=Loft; RN=Ranch; GD=Garden; TH=Townhouse; EL=Elevator; WU=Walk-up

The unit sizes in active properties vary greatly for the same unit type. For example, a two-bedroom/two-bath floor plan ranges in size from 909 to 1,700 square feet. The smallest unit is a one-bedroom/one-bath plan at 670 square feet in Stadium District, while the largest unit is a two-bedroom/two-bath plan at 1,700 square feet in On-The-Grand.

Units in active properties are either elevator-served garden-style designs or townhouse-style designs. The most common unit type currently for sale is a two-bedroom/two-bath floor plan.

Active properties' sale prices vary greatly as well for the same unit type. For example, a two-bedroom/two-bath floor plan ranges in price from \$145,000 to \$208,900. The lowest priced unit is a two-bedroom/two-bath plan for \$145,000 (\$112 per square foot) at On-The-Grand, while the highest priced unit is a three-bedroom/two-bath unit for \$225,900 (\$181 per square foot) at Stadium District.

The following two tables show the distribution of sold and unsold units in active properties by sale price, unit type and sales rate (absorption):

AVERAGE SALE PRICE	TOTAL UNITS	SOLD UNITS	AVERAGE MONTHLY UNIT SALES*
\$150,000 - \$199,999	30	24	0.2
\$200,000 - \$299,999	18	5	0.8
\$300,000 - \$399,999	0	0	-
\$400,000 - \$499,999	0	0	-
TOTALS / AVERAGE	48	29	0.3**

*Based on active sales period; active sales period extended to study cut-off date (July 2007).

**Average weighted by sold units

SALE PRICE RANGE	UNSOLD UNIT TYPE				TOTAL	
	GARDEN	LOFT	RANCH	TOWNHOUSE	NUMBER	PERCENT
\$150,000 - \$199,999	2	0	0	4	6	31.6%
\$200,000 - \$299,999	13	0	0	0	13	68.4%
\$300,000 <	0	0	0	0	0	0.0%
TOTAL	15	0	0	4	19	100.0%

The most common price range and unit type in the DSA is a garden floor plan ranging from \$200,000 to \$299,999, 68.4% of all unsold units. The average weighted (by sold units) absorption rate for all active properties is 0.3 sales per month.

The following appliances are included in the surveyed active property units (frequency indicated by percentage of all active units):

- Range (41.7%)
- Refrigerator (41.7%)
- Dishwasher (41.7%)
- Disposal (41.70%)
- Microwave (41.7%)
- Air conditioning (41.7%)
- Washer/dryer machines (41.7%)
- Washer/dryer hook-ups (41.7%)

The following amenities are included in the surveyed active property units (frequency indicated by percentage of all active units):

- Window treatments (41.7%)
- Balcony (41.7%)

The following common amenities are included in the surveyed active properties for use by residents (frequency indicated by percentage of all active units):

- Elevator (41.7%)

The following information relates to association fees in active properties:

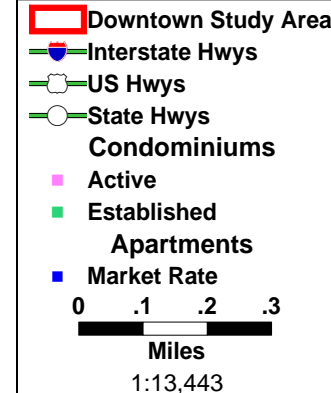
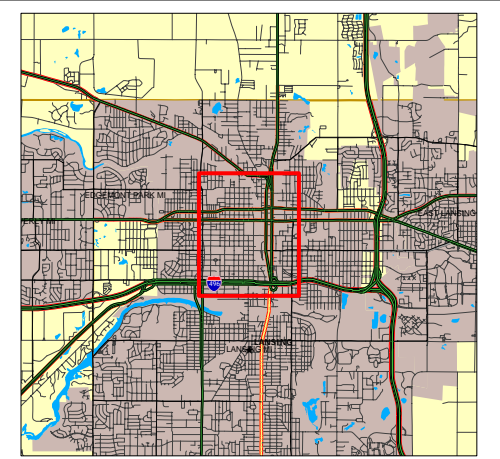
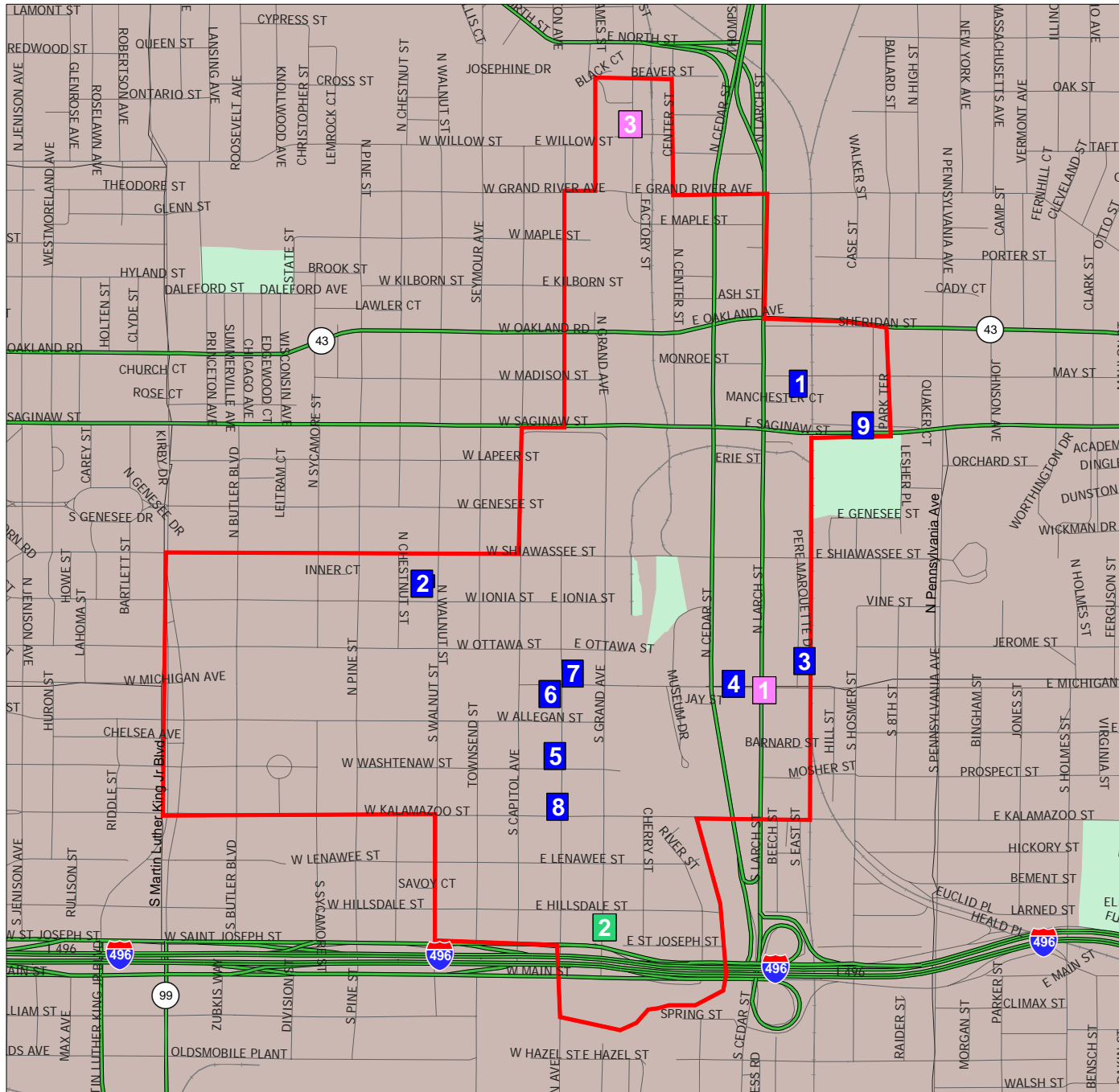
- Average monthly per unit fee for On-The-Grand: \$120
- Association fee for Stadium District not yet determined.
- Items covered by fees (frequency indicated by percentage of all active units): landscaping (100.0%), trash removal (100.0%), snow removal (100.0%), and paved area maintenance (100.0%)

Parking in active properties is distributed as follows: all units receive one space with 41.7% in a concrete parking garage structure and 58.3% in attached conventional residential garages.

An abbreviated field survey of all multi-unit condominium properties in the Lansing DSA is provided in the following pages. Properties have been color-coded to reflect type. The field survey is comprised of the following major elements:

- A colored-coded map indicating the location of each property surveyed.
- A list of properties surveyed with name, address, telephone number, contact person, photograph, property type (active or established), date of first and last sale, number of floors, total units, sales rate, units sold and unsold, and presence of an elevator.
- A summary of the number of properties surveyed, the aggregate number of units sold, and aggregate sales by year.
- A summary of active properties including unit descriptions, unit sizes, parking arrangements, price, and price per square foot.
- A list of active properties indicating sales by unit type.

Lansing, MI: DSA Boundary with Surveyed Properties



SURVEY OF CONDOMINIUM PROPERTIES - LANSING, MI

1 Stadium District						
	Location	500 E. Michigan Ave. Lansing, MI 48912	First Sale:	6/1/2007	Sales Rate*	1.7
			Last Sale:	8/1/2007	Total Homes	20
	Developer	The Gillespie Group			Homes Sold	5
	Phone	(517) 333-6776			Available Homes	15
	Comments	Property will be mixed-use; Elevator			Planned Homes	0
					Floors	4
2 Printers Row						
	Location	613-645 S. Grand Ave. Lansing, MI 48933	First Sale:	7/28/2006	Sales Rate*	1.7
			Last Sale:	1/12/2007	Total Homes	12
	Developer	Kerr House, LLC				
	Phone	(517) 482-0254				
	Comments	No elevator				
					Floors	2.5
3 On-The-Grand						
	Location	1331 Turner St. Lansing, MI 48906	First Sale:	7/24/2000	Sales Rate*	0.3
			Last Sale:	10/31/2006	Total Homes	28
	Developer	Old Town Condominiums, LLC			Homes Sold	24
	Phone	(517) 349-4406			Available Homes	4
	Comments	No elevator			Planned Homes	0
					Floors	2.5

* Calculated based on active sales period. For active projects, active sales period extends to current month

 Active

 Established

Surveyed - July 2007

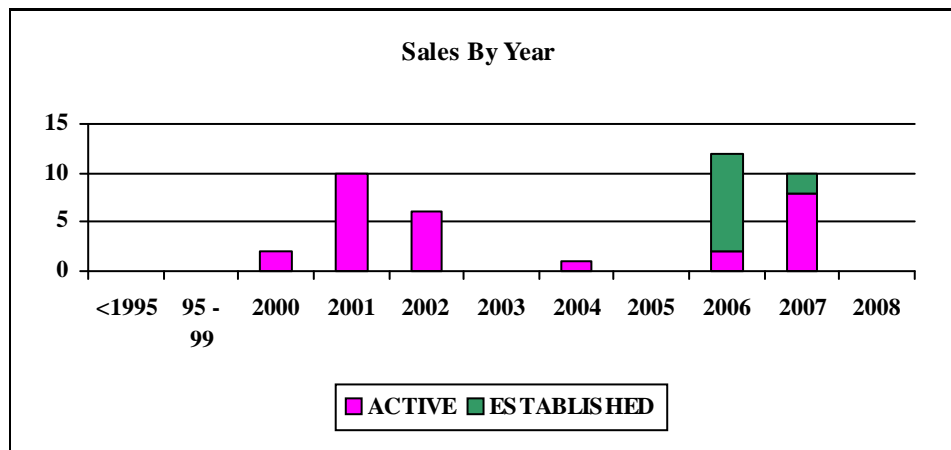
VWB
vogtwilliamsbowen
RESEARCH

STATUS OF PROJECTS SURVEYED - LANSING, MI

PROJECT STATUS	NUMBER OF PROJECTS	UNITS			
		TOTAL	SOLD	AVAILABLE	PLANNED
ACTIVE	2	48	29	19	0
ESTABLISHED	1	12	12	0	0
TOTAL	3	60	41	19	0
* Active totals include both sold-out and active phases. Established totals reflect projects that have sold out units in all phases.					

UNIT SALES BY YEAR - LANSING, MI

YEAR	UNITS SOLD		TOTAL SALES	AVERAGE MONTHLY SALES
	ESTABLISHED PHASES	ACTIVE PHASES		
< 1995	0	0	0	
1995 - 1999	0	0	0	0.0
2000	0	2	2	0.2
2001	0	10	10	0.8
2002	0	6	6	0.5
2003	0	0	0	0.0
2004	0	1	1	0.1
2005	0	0	0	0.0
2006	10	2	12	1.0
2007	2	8	10	1.4
TOTAL	12	29	41	0.4 *
* - AVERAGE MONTHLY SALES FROM 2000 TO 2006				



Surveyed - July 2007

PRICE ANALYSIS - LANSING, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION				SQUARE FEET	PRICE	PRICE PER SQUARE FOOT
		BR	BATHS	STYLE	PARKING			
1	Stadium District	1	1	GARDEN ELEVATOR	G / 1	670	\$164,900	\$246.12
		2	2	GARDEN ELEVATOR	G / 1	909 TO 940	\$208,900	\$222.23 TO \$229.81
		3	2	GARDEN ELEVATOR	G / 1	1250	\$225,900	\$180.72
3	On-The-Grand	2	2	3-STORY TOWNHOUSE	A / 1	1300 TO 1700	\$145,000 - \$190,000	\$111.54 TO \$111.76

 Active
 Established

PARKING
 A - Attached C - Carport
 D - Detached L - Lot/Surface
 G - Parking Garage

Surveyed - July 2007


v o g t w i l l i a m s b o w e n
 RESEARCH

UNIT ANALYSIS - LANSING, MI

MAP ID	PROJECT NAME	UNIT DESCRIPTION			SALES INFORMATION			PERCENT SOLD
		BEDROOMS	BATHS	STYLE	TOTAL AVAILABLE	PLANNED		
1	Stadium District	1	1	GARDEN ELEVATOR	2	2	0	0.0%
		2	2	GARDEN ELEVATOR	14	13	0	7.1%
		3	2	GARDEN ELEVATOR	4	0	0	100.0%
3	On-The-Grand	2	2	3-STORY TOWNHOUSE	28	4	0	85.7%
					48	19	0	60.4% *
* - AMONG UNITS AVAILABLE OR UNDER CONSTRUCTION								

 Active
 Established

Surveyed - July 2007

VWB
 vogtwilliamsbowen
 RESEARCH

Planned Multi-Unit Developments

According to city building and planning officials, there were three multi-unit housing properties pending city approvals that had not started construction by July 2007 (study cut-off date) within the Lansing DSA. The following table provides summary information on these planned properties:

PROPERTY NAME & LOCATION	DEVELOPER	PROPERTY TYPE	TOTAL UNITS	PROPERTY DETAILS	PROJECTED OPENING
PRUDDEN PLACE- PHASE II MAY STREET	THE GILLESPIE GROUP	MARKET RATE APTS.	48	1BR & 2BR LOFTS	SUMMER 2008
RIVER EAST GRAND RIVER & CENTER	RICHARD KARP	CONDO	6	NA	SPRING 2008
ON THE GRAND 1311-1361 TURNER STREET	OLD TOWN CONDOMINIUMS, LLC	CONDO	4	TOWNHOMES	FALL 2007
TOTAL		3	58		

There are two new multi-unit condominium housing properties totaling 10 units planned for the Lansing DSA. In addition, there is one existing rental property that is planning a total of 48 additional units at their present location. Combined, this represents a total of three multi-unit housing properties with 58 total units for an average size of 19 units per planned property.

Summary

From our research and field survey, the following table summarizes the multi-unit housing supply within the Lansing DSA that met the study's selection criteria:

PROPERTY TYPE	PROPERTIES				UNITS			
	PLANNED	BEING BUILT	BUILT	TOTAL	PLANNED	BEING BUILT	BUILT	TOTAL
RENTAL	1	2	7	10	48	78	327	453
CONDOMINIUM	2	1	2	5	10	20	40	70
TOTAL	3	3	9	15	58	98	367	523

Combined, there are a total of 15 multi-unit housing properties planned, being built, or built in the Lansing DSA representing 523 total units. Of these 523 units, 58 (11.1%) are planned, 98 (18.7%) are being built, and 367 (70.2%) are built.